

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION
July 28, 2005 Via Telephone Conference**

PRESENT (participating)

Mary Jansing Balgooyen, President
Ellen Michaels, Vice-President
Marty Deggeller, Treasurer
John Steinhart, Director
Jeff Schwartz, Director
Tom Bugary, Secretary and General Manager

ABSENT

None

OPENING

Mary Jansing Balgooyen called the meeting to order at 3:00 PM, July 28, 2005 and stated that the main reason for this telephone conference was to receive the nominating committee report and to nominate the 2005-06 Board of Directors.

2005-2006 BOARD OF DIRECTORS

Jeff Schwartz, for Committee Chair Dick Love, reported that the nominating committee recommends, as nominees to the 2005-06 Board of Directors:

Ellen Michaels, Incumbent
Marty Deggeller, Incumbent
John Steinhart, Incumbent
Jeff Schwartz, Incumbent
Frank Williams

The Board M/S/C to approve the Nominating Committee's recommendation.

MINUTES

The Board reviewed the minutes of the June 11, 2005 meeting. It was M/S/C to approve the minutes as written.

LATE FEES

There were eight homeowners who were late in paying their special and/or July monthly assessments, (made payments after July 15th), and were assessed late fees. Of these members who paid their assessments after the 15th of the month, four of them paid the late fees, while the other two have submitted letters to the Board requesting that their late fees be waived due to the association's change from a 30-day grace period for late payments, to the current 15 day grace period. The reason for delinquent payments, given by all 6 members, was that they had not realized that there was a change in the timeframe of the grace period and that they were operating under the old policy. After discussion, the Board decided that even though the association gave ample notice of the change in policy; they would forgive these late charges and reimburse those members who have already paid the late fee. The Board directed that it be noted in the minutes that this was a one-time waiving of late fees due specifically to the change from a 30-day grace period to a 15-day grace period. This change in association policy was noticed in the revised CC&Rs, sent out to the members last fall, in the Assessment Collection Policy included in the Proforma Budget and Disclosure Packet sent to the members in May, as well as in the individual billings sent to the members in May and June of this year.

ADA ACCOMODATIONS FOR HOMEOWNER UNITS

The association has recently built two ADA compliant access ramps, at association expense, from the west side of the individual units to the nearest beach boardwalk. The Board constructed these ramps because they extended out onto common property, and now wishes to clarify its position as to whether the association will continue to build these ramps at association expense, or require reimbursement from requesting homeowners, and to establish a removal process after the ramps may no longer be needed, (for example through sale or transfer). After considerable discussion, the Board asked Tom to secure an opinion from our attorneys as to how to best develop this policy to accommodate the needs of homeowners with special needs, and at the same time, recognizing the interests of the other members. This is an action item for the next directors meeting.

INSURANCE

The Board reviewed the 05-06 insurance package, sent via email to the Board for review, comment and vote. After discussion, the Board thought it would be beneficial if Jeff Kane, the Association's Insurance Broker could be at the next Board meeting on September 17th to give a presentation on the association's insurance package, with a question and answer period after the presentation. The Board M/S/C to approve the recommended insurance package as presented by KBK Insurance.

HIGH-SPEED INTERNET UPDATE

SBC has finished reconditioning the telephone lines for T1 service at the colony. Redshift is scheduled to set up the tower at unit 210 on August 16, 2005. Once the "tower" has been set up, Redshift will be calling homeowners (except those that have already stated

that they do not want service) to set up install appointments. Installation details can be seen on the association's website at www.montereydunescolony.com.

ADJOURNMENT

With no further business, the meeting was adjourned. The next Board meeting is scheduled to be held on Saturday, September 17 at 10:00 A.M. in the Association's Clubhouse. The Annual Homeowner's meeting and Barbeque are scheduled for Saturday, October 22, at 10:00 A.M. and 12:30 P.M. respectively.

FOR THE BOARD OF DIRECTORS:

Respectfully Submitted,

//s//

Thomas J. Bugary, CMCA, CCAM
General Manager and Secretary